Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contact Us

July 13, 2006

Contents

The next release is July 20, '06

WEEKLY HIGHLIGHTS

Will Unshipped Balances Strain Transportation Resources?
As of last week, average weekly inspections of corn and soybeans needed to exceed 36 million bushels (mbu) per week in order to meet 2005/06 **export commitments**. This week, grain inspections were 31 million bushels for corn and 4 million bushels for soybeans. If inspections do not pick up, a large carryover of **unshipped exports** may stretch transportation resources in the coming months as shippers seek to fulfill commitments.

Rail Capacity Temporarily Boosted by Automotive Retooling
During the next 2–3 weeks, automotive plants will be retooling for the upcoming model year. As a result, locomotives normally used in the movement of autos will be available to move grain and other commodities.

Rail Deliveries To The Mississippi Gulf Ports Continue To Boom
For the 4 weeks ending July 5, **rail deliveries** to the Mississippi Gulf ports continue to boom, up 158 percent from the same period last year, due in part to increased Gulf grain inspections and higher-than-normal barge rates. Barge rates have been increasing for two consecutive weeks and are up an average of 16.5 percent from last week at all shipping locations.

U.S. Gulf Gains Competitiveness
As of July 11, ocean freight rates for both the Gulf and PNW port regions were 3 and 4 percent lower, respectively, than they were a week ago. The Gulf rate was lower than last year, but the PNW rate was higher. Because the spreads between the Gulf and the PNW rates are considerably lower than they were a year ago, the declining ocean rates are favoring the Gulf.

Snapshot By Sector

Crops
The unshipped **export balances** for the week ending June 29 were 9,000 mt (353 mbu) for corn and 1,943 mt (71.4 mbu) for soybeans. The expected weekly inspections pace thru August 31 would need to be 39.4 and 7.9 mbu for corn and beans, respectively.

Barge/Ocean
For the week ending July 8, southbound barge **grain shipments** totaled 881 thousand tons, or 30 percent higher than the same week a year ago but 14 percent below last week's sharp increase. On July 6, 60 Gulf ocean **vessels were due in**, 18 percent more than last year and 9 percent above the 4-year average. In addition, 13 percent more vessels than last year were loaded during the previous 7 days.

Rail
Cross-border **rail grain deliveries** to Mexico remain weak; they are 32 percent below the same 4 weeks last year and 9 percent below the 4-year average. **Grain rail carloads originated** for the week ending July 1 were 5.4 percent higher than the same week last year and up 9.3 percent for the last 4 weeks compared to last year.

Truck
The **Diesel fuel price** for the week ending July 10 was $2.92 per gallon—21 percent higher than the same week last year and 0.7 percent higher than the previous week.

Feature Article/Calendar

Cost of Shipping U.S. Corn and Soybeans to Japan Decreases. The total cost of shipping corn and soybeans from Minneapolis to Japan decreased by as much as 22 percent during the 1st quarter, and the cost of transporting grain to Japan through the Gulf by truck, rail, barge and ocean vessel decreased between 6 and 31 percent. The farm value for corn increased by nearly 9 percent, but the farm value for soybeans decreased by 11 percent. Despite the positive changes in the farm value for corn, the greater drop in total transportation cost resulted in a total landed cost decrease of 9 percent. The total landed cost for soybeans decreased even more, by nearly 15 percent, due to the combined decrease of total transportation cost and farm value. Total landed cost combines total transportation cost and farm value.

Table 1 -- Quarterly modal transportation cost comparison for corn from Minneapolis to Japan

	Gulf			PNW		
	4th Qtr '05	1st Qtr '06	Percent Change	4th Qtr '05	1st Qtr '06	Percent Change
	-$/metric ton -		%	-$/metric ton		%
Truck	10.06	9.42	-6.36	10.06	9.42	-6.36
Barge	36.71	25.38	-30.86			
Rail-Corn				36.67	34.50	-5.92
Ocean	43.69	35.71	-18.27	24.82	26.02	4.83
Total Transportation	90.46	70.51	-22.05	71.55	69.94	-2.25
Farm Value	66.13	71.78	8.54	66.13	71.78	8.54
Total Landed Cost	156.59	142.29	-9.13	137.68	141.72	2.93
Transportation % of Landed Cost	57.77	49.55		51.97	49.35	

Table 2 -- Quarterly modal transporatation cost comparison for soybeans from Minneapolis to Japan

	Gulf			PNW		
	4th Qtr '05	1st Qtr. '06	Percent Change	4th Qtr. '05	1st Qtr. '06	Percent Change
	-$/metric ton-		%	-$/metric ton-		%
Truck	10.06	9.42	-6.36	10.06	9.42	-6.36
Barge	36.71	25.38	-30.86			
Rail-soybeans				39.79	39.68	-0.28
Ocean	43.69	35.71	-18.27	24.82	26.02	4.83
Total Transportation	90.46	70.51	-22.05	74.67	75.12	0.60
Farm Value	207.11	183.72	-11.29	207.11	183.72	-11.29
Total Landed Cost	297.57	254.23	-14.56	281.78	258.84	-8.14
Transportation % of Landed Cost	30.40	27.73		26.50	29.02	

The total transportation cost of grain to the Pacific Northwest (PNW) changed negligibly—corn decreased by about 2 percent, and soybeans increased by less than 1 percent. Total landed costs through the PNW increased 3 percent for corn, but dropped 8 percent for soybeans.

Barge rates decreased 31 percent compared to the 4th quarter. While barge traffic in the 1st quarter is traditionally slow, the return to more normal operation after Hurricanes Katrina and Rita contributed to this decrease. First quarter rates, however, remained well above the 3-year average (see Figure 8 in the report) due to increased exports and a strong demand for covered barges. Imports of steel, iron ore and non-agricultural commodities have caused an increase in upbound movements. These upbound shipments are increasing barge utilization, but are also creating repositioning problems, slowing turnaround times and increasing rates.

Ocean freight rates for Gulf-to-Japan grain shipments decreased by roughly 18 percent during the first quarter, and by 41 percent compared to the same period last year. In both instances, rates decreased primarily due to excess capacity and the delayed retirement of older vessels.

Truck rates for both corn and soybeans originating in the North Central region decreased by roughly 6 percent during the 1st quarter. This decrease was partly due to a slight decrease in the truck rate per mile as well as a slightly lower level of truck activity. Truck availability remained virtually unchanged from the previous quarter *Karl.Hacker@usda.gov*.

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
07/12/06	196	225	274	172	214
07/05/06	194	224	246	179	223

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

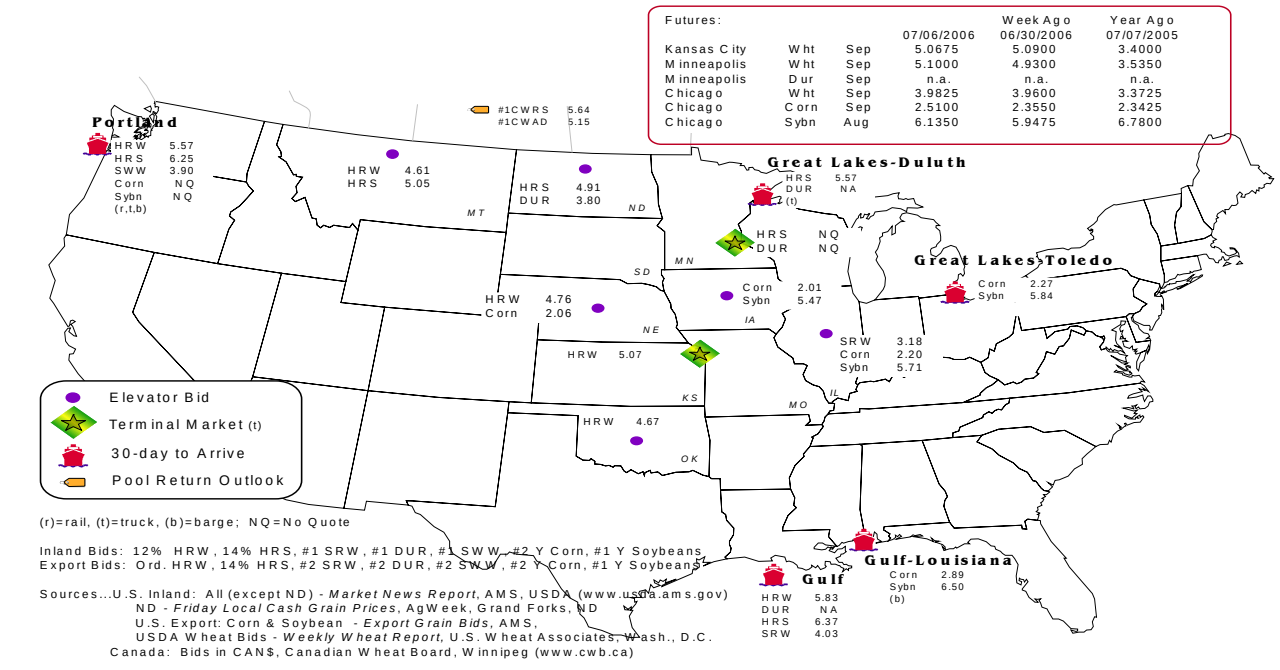
Commodity	Origin--Destination	7/6/2006	6/30/2006
Corn	IL--Gulf	-0.69	-0.69
Corn	NE--Gulf	-0.83	-0.86
Soybean	IA--Gulf	-1.03	-0.95
HRW	KS--Gulf	-0.76	-0.70
HRS	ND--Portland	-1.34	-1.30

Note: nq = no quote

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3
Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf [2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
7/05/2006[p]	1,228	1,196	678	2,602	441	6,145
6/28/2006[r]	1,227	1,831	543	4,221	114	7,936
2006 YTD	40,864	57,533	23,792	109,192	11,942	243,323
2005 YTD	26,164	44,479	34,729	117,227	7,518	230,117
2006 YTD as % of 2005 YTD	156	129	69	93	159	106
Last 4 weeks as % of 2005 [3]	258	102	68	98	336	108
Last 4 weeks as % of 4-year avg.[3]	n/a	97	91	132	158	n/a
Total 2005	50,696	99,079	61,151	224,079	15,690	450,695
Total 2004	41,957	93,500	58,843	208,334	10,957	407,143

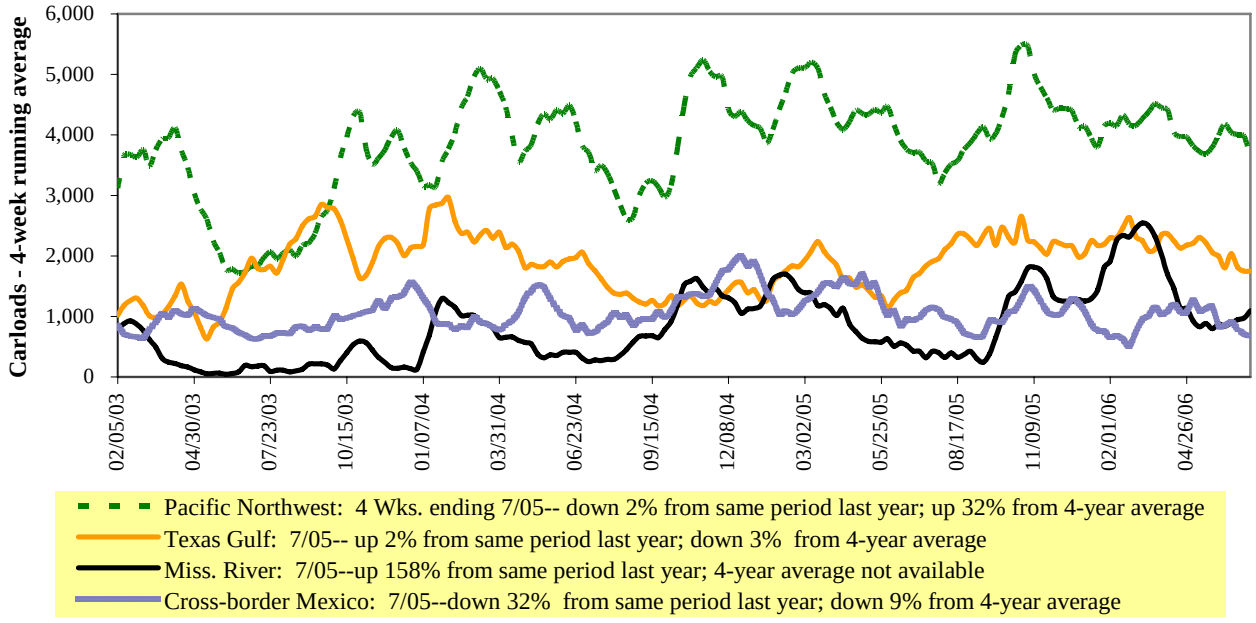
[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2005 and prior 4-year average; [4] Includes 53rd week.

YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 33 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

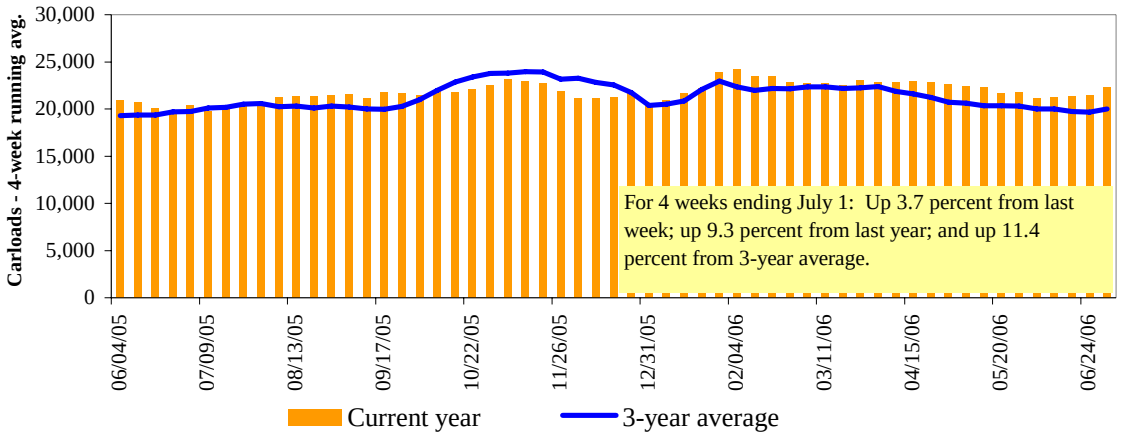
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
07/01/06	3,105	3,471	9,763	443	5,625	22,407	5,455	5,154
This week last year	3,098	3,247	9,295	287	5,334	21,261	3,530	3,786
2006 YTD	80,213	83,855	253,044	15,116	155,529	587,757	122,326	113,394
2005 YTD	78,005	86,832	237,934	15,529	154,896	573,196	108,504	103,268
2006 YTD as % of 2005 YTD	103	97	106	97	100	103	113	110
Last 4 weeks as % of 2005[1]	103	104	117	116	103	109	139	120
Last 4 weeks as % of 3-yr avg.[1]	107	105	129	117	93	111	127	116
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

[1]As a percent of the same period in 2005 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period									
7/8/2006	Aug-06	Aug-05	Sep-06	Sep-05	Oct-06	Oct-05	Nov-06	Nov-05	Dec-06	Dec-05
BNSF[3]										
COT grain units	no offer	no offer	176	no offer	297	no offer	165	no offer	90	no offer
COT grain single-car[5]	31. . 51	n/a	0. .67	n/a	0. .61	n/a	0. .61	n/a	1. .61	n/a
UP[4]										
GCAS/Region 1	no bid	no bid	no bid	no bid	no offer	no offer	no offer	no offer	no offer	no offer
GCAS/Region 2	no offer	7	187	53	no offer	no offer	no offer	no offer	no offer	no offer

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; N. grain and S. grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

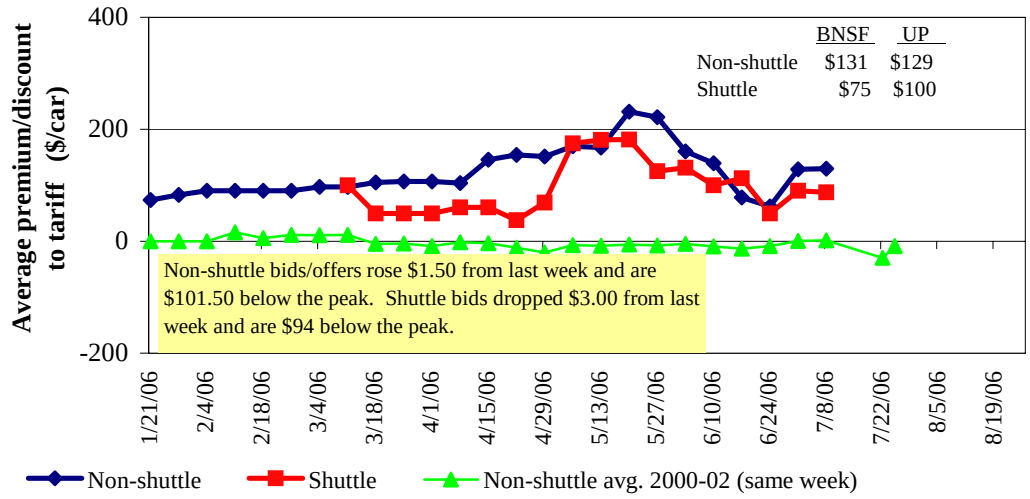
Source: Transportation & Marketing Programs/AMS/USDA. n/a = not applicable

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in August 2006, Secondary Market

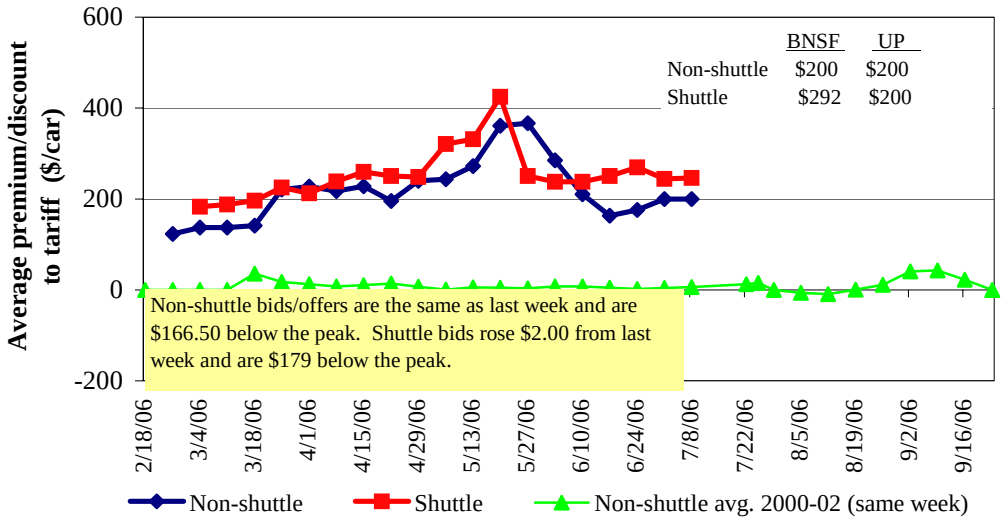


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in September 2006, Secondary Market

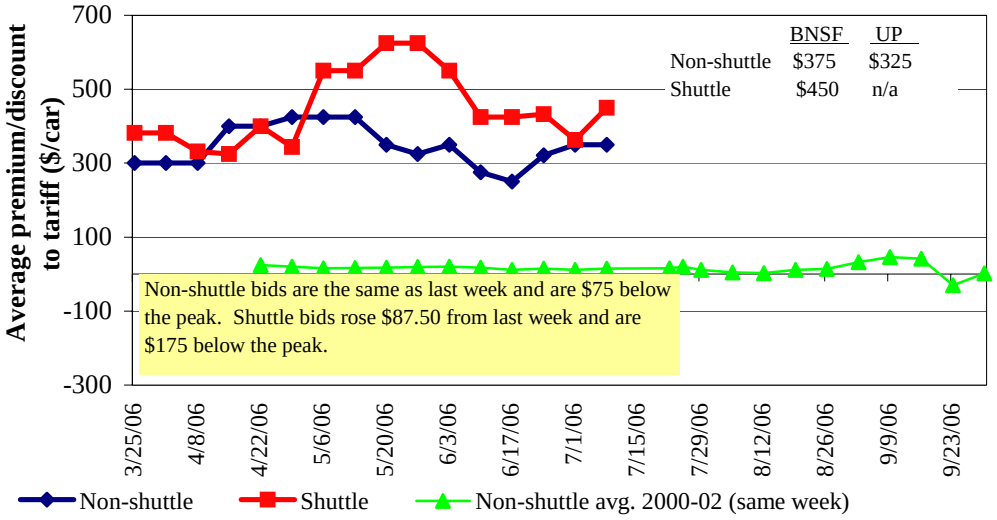


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in October 2006, Secondary Market



Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
7/8/2006	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07
Non-shuttle						
BNSF-GF	131	200	375	400	n/a	n/a
Change from last week	-13	0	0	0	n/a	n/a
Change from same week 2005	-97	-13	162	187	n/a	n/a
UP-Pool	129	200	325	175	n/a	n/a
Change from last week	16	0	0	0	n/a	n/a
Change from same week 2005	85	85	175	n/a	n/a	n/a
Shuttle[2]						
BNSF-GF	75	292	450	300	200	n/a
Change from last week	-6	29	-50	-50	-50	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	100	200	n/a	n/a	n/a	n/a
Change from last week	0	-25	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = n/a; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 7/3/2006	Origin region	Destination region	Rate/car	As % of same month last year	Rate per metric ton	Rate per bushel[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$1,861	100	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,120	105	$23.37	$0.64
	South Central, KS	Galveston, TX	$2,550	104	$28.11	$0.77
	Minneapolis, MN	Houston, TX	$3,020	125	$33.29	$0.91
	St. Louis, MO	Houston, TX	$2,460	110	$27.12	$0.74
	South Central, ND	Houston, TX	$4,149	113	$45.73	$1.24
	Minneapolis, MN	Portland, OR	$3,840	91	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	91	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,490	102	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,161	108	$23.82	$0.65
Corn	Chicago, IL	Baton Rouge, LA	$2,610	104	$28.77	$0.73
	Council Bluffs, IA	Baton Rouge, LA	$2,470	104	$27.23	$0.69
	Kansas City, MO	Dalhart, TX	$2,365	120	$26.07	$0.66
	Minneapolis, MN	Portland, OR	$3,200	89	$35.27	$0.90
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.55
	Columbus, OH	Raleigh, NC	$1,850	109	$20.39	$0.52
	Council Bluffs, IA	Stockton, CA	$3,606	100	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,655	108	$29.27	$0.80
	Council Bluffs, IA	Baton Rouge, LA	$2,515	109	$27.72	$0.75
	Minneapolis, MN	Portland, OR	$3,610	100	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.59
	Chicago, IL	Raleigh, NC	$2,561	107	$28.23	$0.77
Shuttle train[1]						
Wheat	St. Louis, MO	Houston, TX	$2,050	108	$22.60	$0.62
	Minneapolis, MN	Portland, OR	$3,640	93	$40.12	$1.09
Corn	Fremont, NE	Houston, TX	$2,196	82	$24.21	$0.61
	Minneapolis, MN	Portland, OR	$3,096	90	$34.13	$0.87
Soybeans	Council Bluffs, IA	Houston, TX	$2,412	87	$26.59	$0.72
	Minneapolis, MN	Portland, OR	$3,170	93	$34.94	$0.95

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date:	07/03/06						
Commodity	**Origin state**	**Border crossing region**	**Train size[1]**	**Tariff rate[2]**	**As % of same month last year**	**Rate per metric ton**	**Rate per bushel[3]**
Wheat	KS	Brownsville, TX	Shuttle	$2,959	104	$30.23	$0.82
	ND	Eagle Pass, TX	Unit	$4,474	83	$45.71	$1.24
	OK	El Paso, TX	Shuttle	$2,235	99	$22.84	$0.62
	OK	El Paso, TX	Unit	$2,540	104	$25.95	$0.71
	AR	Laredo, TX	Unit	$2,600	109	$26.57	$0.72
	IL	Laredo, TX	Unit	$3,405	107	$34.79	$0.95
	MT	Laredo, TX	Shuttle	$3,980	93	$40.67	$1.11
	TX	Laredo, TX	Shuttle	$2,274	105	$23.23	$0.63
	MO	Laredo, TX	Shuttle	$2,840	104	$29.02	$0.79
	WI	Laredo, TX	Unit	$3,623	106	$37.02	$1.01
Corn	NE	Brownsville, TX	Shuttle	$3,543	114	$36.20	$0.92
	NE	Brownsville, TX	Unit	$3,623[4]	99	$37.02	$0.94
	IA	Eagle Pass, TX	Unit	$3,773	113	$38.55	$0.98
	MO	Eagle Pass, TX	Shuttle	$3,364[4]	111	$34.37	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,764[4]	109	$38.46	$0.98
	IA	Laredo, TX	Shuttle	$3,696	113	$37.76	$0.96
Soybean	IA	Brownsville, TX	Shuttle	$3,318	115	$33.90	$0.92
	MN	Brownsville, TX	Shuttle	$3,614	114	$36.93	$1.00
	NE	Brownsville, TX	Shuttle	$3,127	116	$31.95	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,203	116	$32.73	$0.89
	IA	Laredo, TX	Unit	$3,357	115	$34.30	$0.93

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

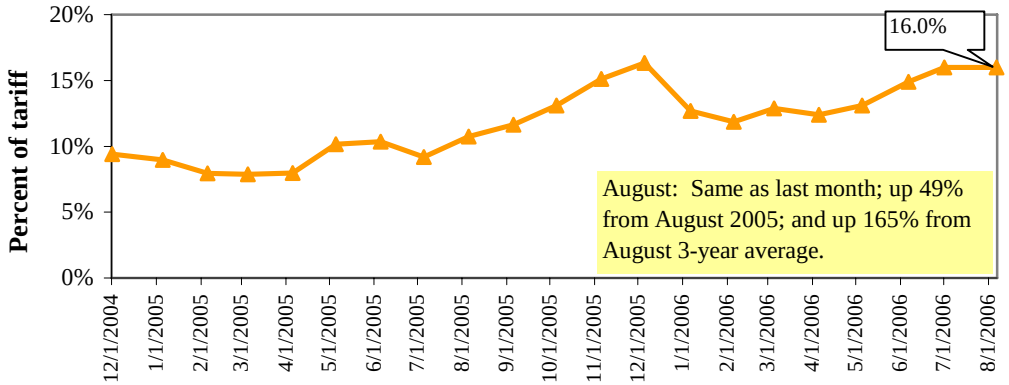
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]

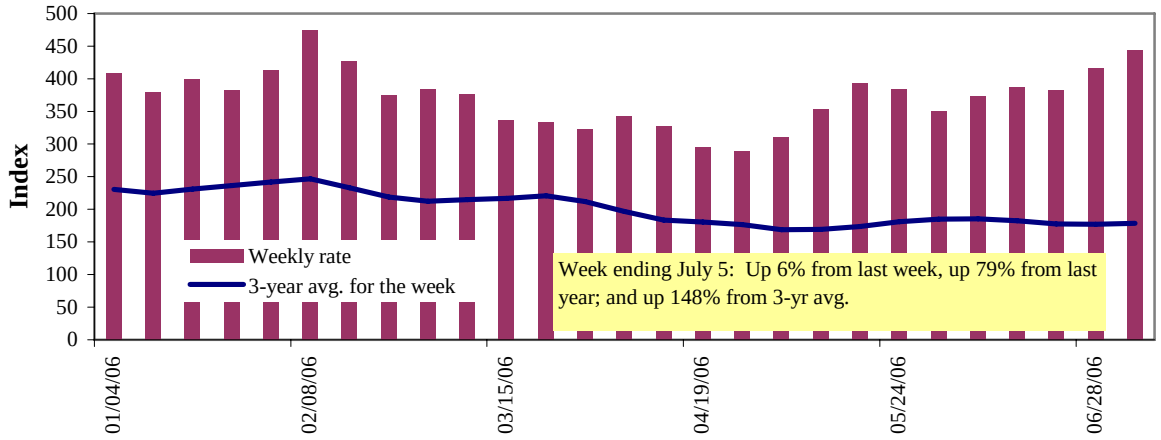


[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8
Illinois River Barge Rate Index - Quotes[1,2]



[1] Index = percent of tariff rate; [2]4-week moving average for the 3-year average
Source: Transportation & Marketing Programs/AMS/USDA

Table 9
Weekly Barge Rate Quotes: Southbound Barge Freight

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Index[1]	7/5/2006	533	458	443	415	469	475	383
	6/28/2006	482	423	416	335	395	395	305
$/ton	7/5/2006	32.99	24.37	20.56	16.56	22.00	19.19	12.03
	6/28/2006	29.84	22.50	19.30	13.37	18.53	15.96	9.58
Current week % change from the same week:								
	Last year	81	78	79	128	146	147	131
	3-year avg. [2]	136	146	148	215	254	256	209
Index	August	569	520	513	505	525	525	500
	October	648	619	621	613	624	624	605

[1]Index = percent of tariff, based on 1976 tariff benchmark rate; [2]4-week moving average.
Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8). The index, along with rate quotes and futures market bids are indicators of grain transport supply and demand.

Figure 9
Benchmark tariff rates

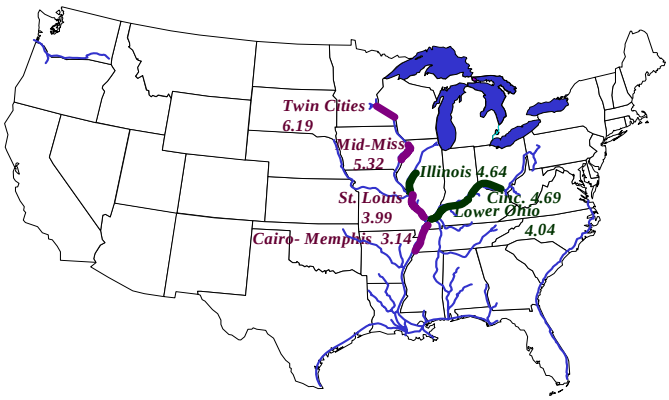
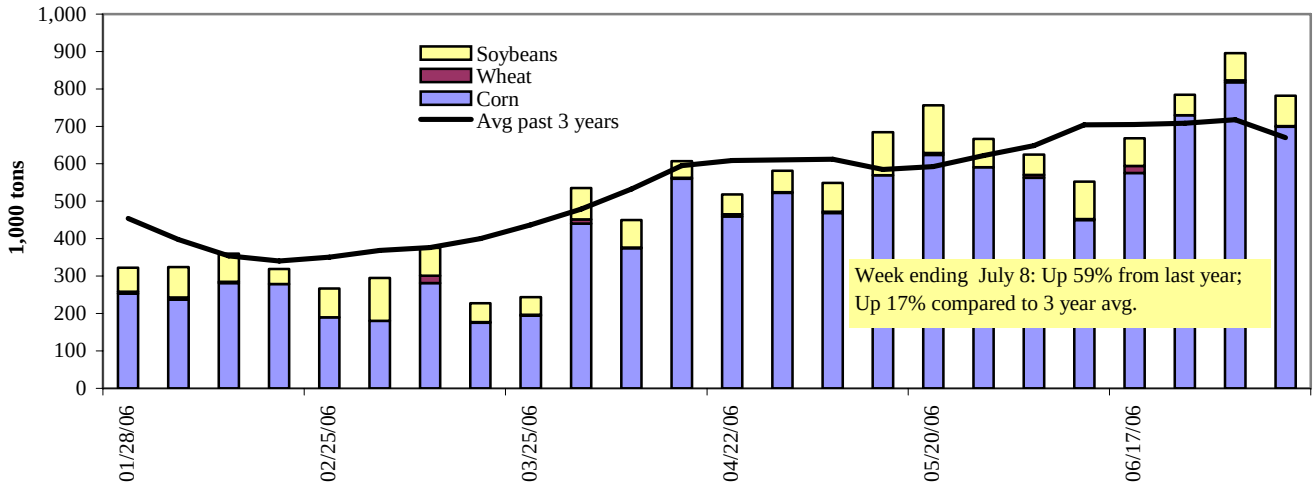


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 10

Barge Grain Movements (1,000 tons)

Week ending 7/8/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	445	2	26	2	474
Winfield, MO (L25)	496	2	49	0	546
Alton, IL (L26)	715	2	84	0	801
Granite City, IL (L27)	699	2	81	10	791
Illinois River (L8)	185	0	52	0	238
Ohio River (L52)	24	2	25	0	51
Arkansas River (L1)	0	30	0	9	39
Weekly total - 2006	723	34	106	19	881
Weekly total - 2005	506	63	97	12	678
2006 YTD[1]	13,920	631	3,350	388	18,289
2005 YTD	11,804	891	3,964	378	17,037
2006 as % of 2005 YTD	118	71	85	103	107
Last 4 weeks as % of 2005[2]	102	102	102	102	100
Total 2005	23,761	1,620	7,276	731	33,388

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

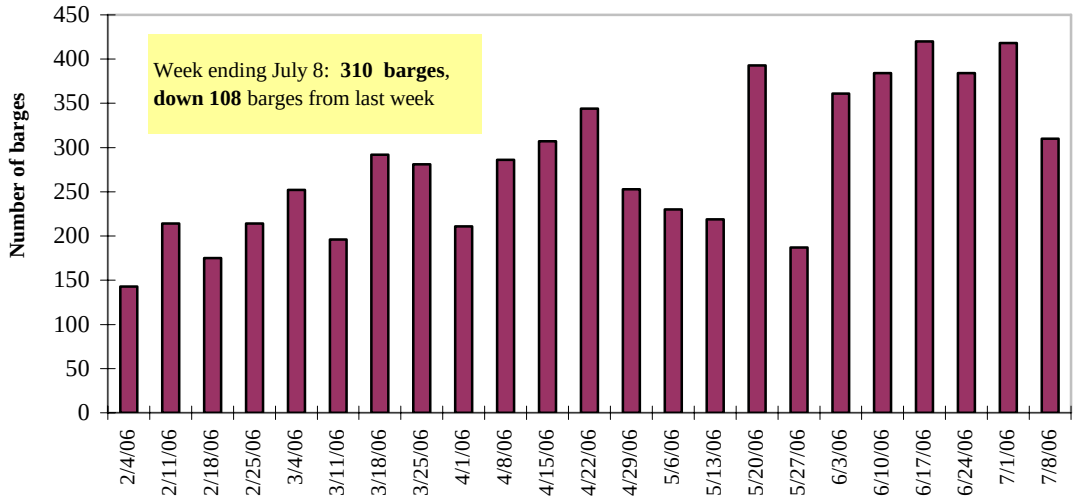
[2] As a percent of same period in 2005.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

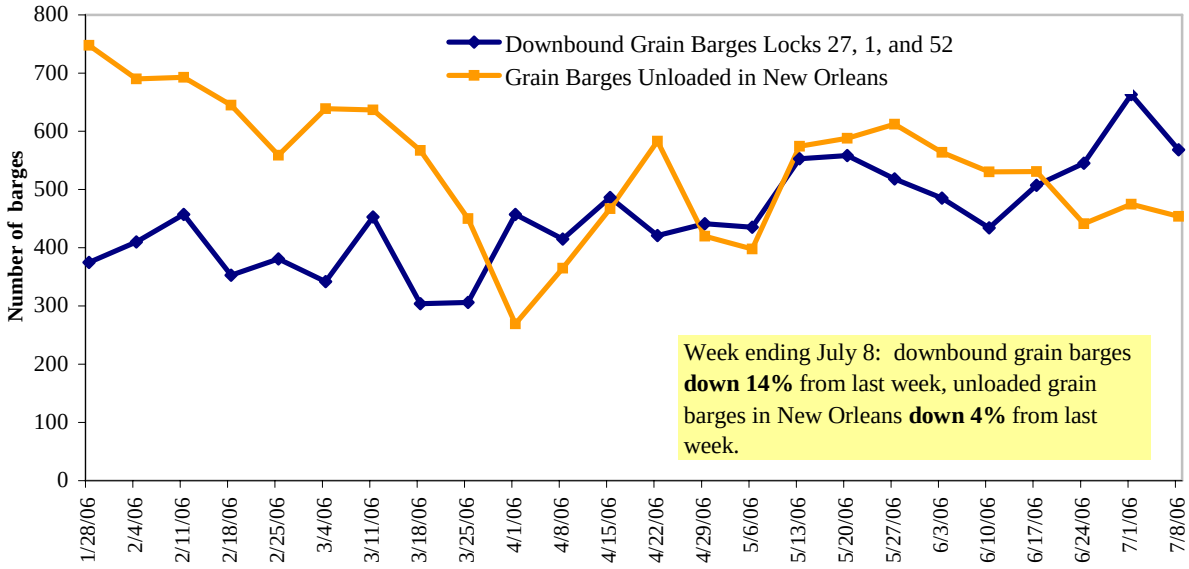
Upbound Empty Barges Transiting Mississippi River Lock 27



Source: Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 7/10/06 (US$/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	2.887	0.013	0.460
	New England	2.947	-0.001	0.414
	Central Atlantic	2.963	0.012	0.439
	Lower Atlantic	2.849	0.015	0.472
II	Midwest[1]	2.919	0.032	0.535
III	Gulf Coast[2]	2.866	0.021	0.511
IV	Rocky Mountain	2.966	0.008	0.558
V	West Coast	3.060	0.004	0.534
	California	3.113	-0.006	0.524
Total	U.S.	2.918	0.020	0.510

[1]Diesel fuel prices include all taxes.

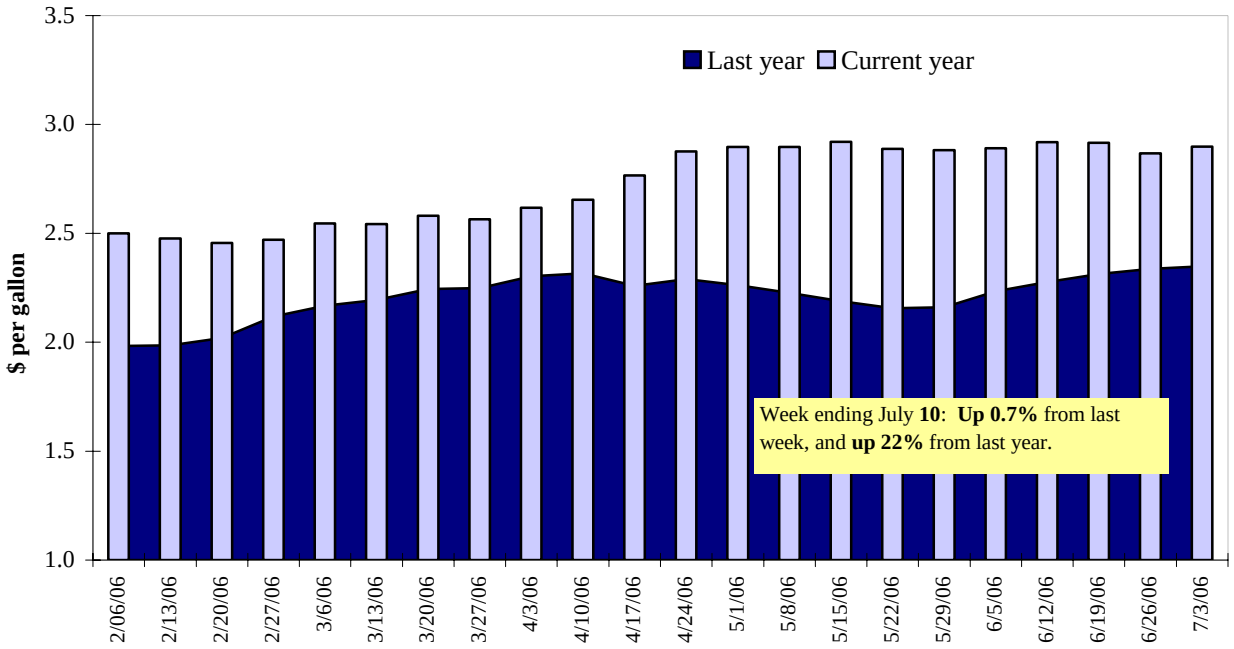
[2]Same as North Central

[3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending[1]	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances									
6/29/2006	1,107	467	1,154	692	266	3,686	9,000	1,943	14,629
This week year ago	1,963	335	1,249	443	129	4,119	5,977	1,333	11,429
Cumulative exports-crop year [2]									
2005/06 YTD	396	228	555	356	84	1,619	43,249	22,835	67,703
2004/05 YTD	641	164	660	175	55	1,694	38,110	28,643	68,447
YTD 2005/06 as % of 2004/05	62	139	84	203	153	96	113	80	99
Last 4 wks as % of same period 2004/05	54	138	95	162	209	90	151	144	128
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

[1] Current unshipped export sales to date

[2] Shipped export sales to date, new crop year now in efect for wheat

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 06/29/06	Total Commitments[2]			% change	Exports[3]
	2006/07	2005/06	2004/05	current CY	
Crop Year (CY)	Next CY	Current CY	Last CY	from last CY	2004/05
		- 1,000 mt -			- 1,000 mt -
Japan	1111	16,293	14,947	9	16,429
Mexico	275	6,593	5,751	15	6,278
Taiwan	0	4,912	4,374	12	4,690
Egypt	0	3,661	3,676	(0)	4,563
Korea	1	5,006	1,787	180	2,268
Top 5 importers	**1,387**	**36,465**	**30,534**	**19**	**32,143**
Total US corn export sales	**2,211**	**52,249**	**44,087**	**19**	
Top 5 importers' share of U.S. corn export sales	63%	70%	69%		
USDA forecast, July 2006	**54,610**	**53,340**	**46,078**	**16**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 06/29/06	Total Commitments[2]			% change	Exports[3]
	2006/07	2005/06	2004/05	current CY	
Crop Year (CY)	Next CY	Current CY	Last CY	from last CY	2004/05
		- 1,000 mt -			- 1,000 mt -
China	1,867	9,713	11,848	(18)	11,850
Mexico	40	3,394	3,335	2	3,579
Japan	393	2,936	3,031	(3)	3,289
Taiwan	0	1,695	1,566	8	1,585
Indonesia	0	1,136	953	19	1,079
Top 5 importers	**2,300**	**18,874**	**20,733**	(9)	**21,382**
Total US soybean export sales	**3,257**	**24,778**	**29,977**	**(17)**	
Top 5 importers' share of U.S. soybean export sales	71%	76%	69%		
USDA forecast, July 2006	**29,670**	**24,630**	**30,019**	**(18)**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped).

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of U.S. Wheat

Week ending 06/29/06	Total Commitments[2]		% change	Exports[3]
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
		- 1,000 mt -		- 1,000 mt -
Nigeria	244	490	(37)	3,098
Japan	801	717	12	3,061
Mexico	664	544	22	2,625
Iraq	0	213	(100)	1,237
Philippines	672	366	84	1,878
Egypt	233	228	2	1,952
Korea, South	252	260	(3)	1,191
Venezuela	157	195	(20)	1,085
Taiwan	239	143	67	953
Italy	190	194	(2)	748
Top 10 importers	**3,207**	**2,861**	**12**	**17,827**
Total US wheat export sales	**5,306**	**5,813**	**(9)**	
Top 10 importers' share of U.S. wheat export sales	60%	49%		
USDA forecast, July 2006	**24,490**	**27,325**	**(10)**	

(n) indicates negative number.

[1]Based on FAS 2005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 07/06/06	2006 YTD[1]	2005 YTD[1]	2006 YTD as % of 2005 YTD	Last 4-weeks as % of 2005	Last 4-weeks as % of 3-yr. avg.	Total[1] 2005
Pacific Northwest							
Wheat	136	5,753	5,226	110	171	138	10,801
Corn	212	5,311	5,283	101	100	129	10,130
Soybeans	0	2,496	3,366	74	117	146	6,225
Total	**349**	**13,560**	**13,874**	**98**	**122**	**134**	**27,156**
Mississippi Gulf							
Wheat	45	2,110	2,695	78	98	92	4,643
Corn	519	18,196	14,168	128	135	123	28,202
Soybeans	117	7,404	8,197	90	137	139	14,793
Total	**680**	**27,710**	**25,060**	**111**	**131**	**122**	**47,638**
Texas Gulf							
Wheat	35	3,139	3,129	100	36	32	7,743
Corn	32	1,235	301	410	413	1,108	812
Soybeans	0	15	6	260	0	0	36
Total	**67**	**4,390**	**3,436**	**128**	**54**	**50**	**8,591**
Great Lakes							
Wheat	0	474	798	59	60	87	2,067
Corn	34	621	233	266	202	150	796
Soybeans	0	38	27	140	0	128	828
Total	**34**	**1,132**	**1,058**	**107**	**104**	**114**	**3,691**
Atlantic							
Wheat	0	153	97	158	189	300	301
Corn	0	327	48	678	175	526	249
Soybeans	0	298	419	71	n/a	85	801
Total	**0**	**779**	**564**	**138**	**161**	**194**	**1,352**
U.S. total from ports[2]							
Wheat	216	11,629	11,944	97	82	82	25,556
Corn	797	25,690	20,033	128	128	129	40,189
Soybeans	117	10,252	12,015	85	134	137	22,683
Total	**1,130**	**47,570**	**43,992**	**108**	**116**	**117**	**88,428**

[1] Includes weekly revisions

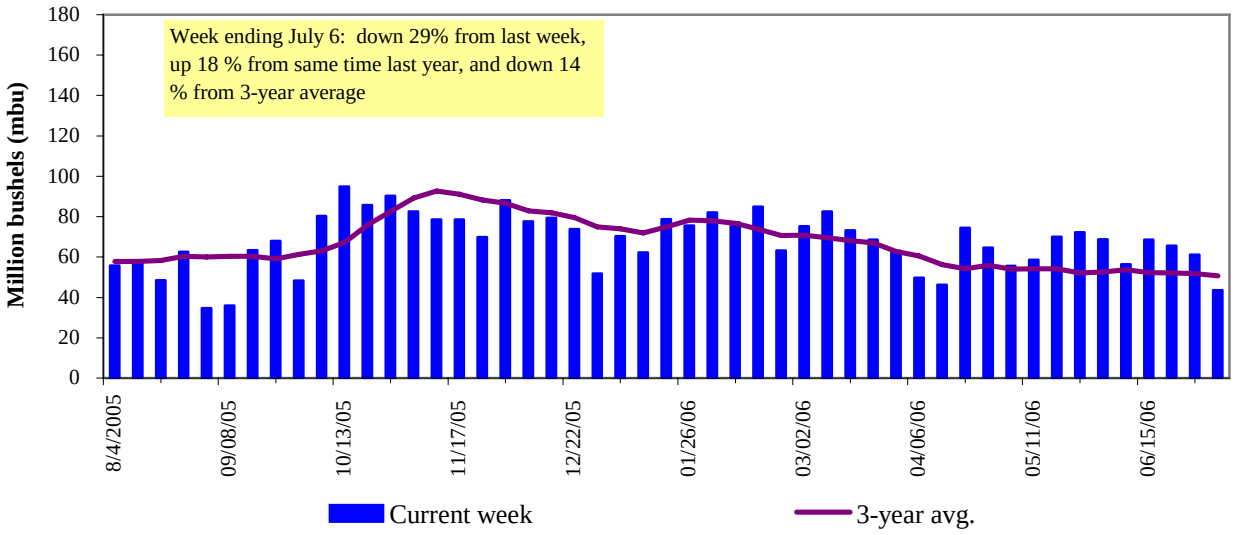
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

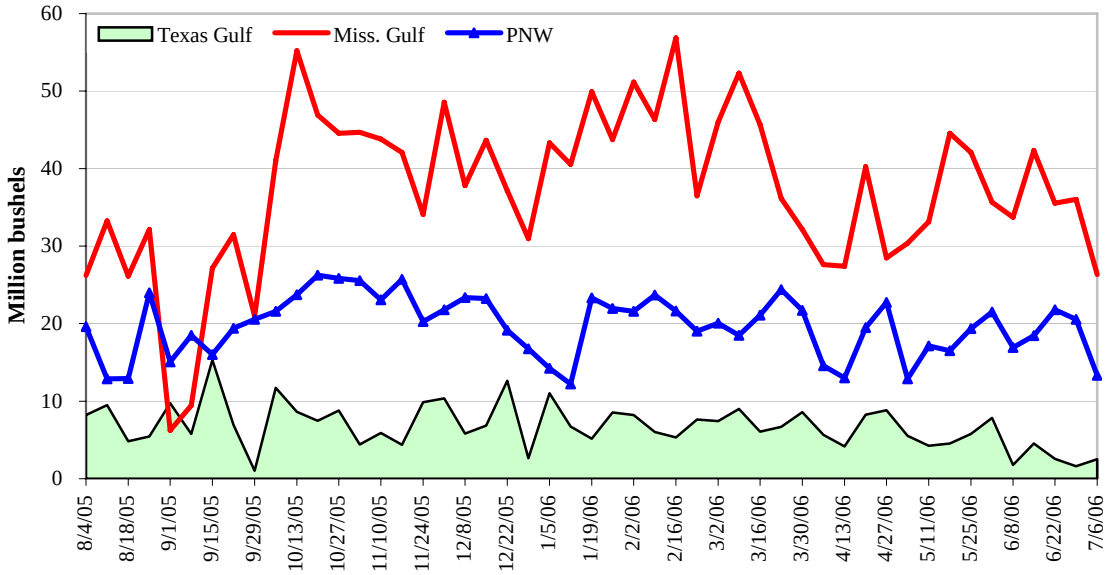


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

July 6, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 27	up 58	down 23	down 35
Last year (same week)	up 45	down 46	up 26	up 7
3-yr avg. (4-wk run. avg)	down 8	down 55	down 16	down 3

Table 17

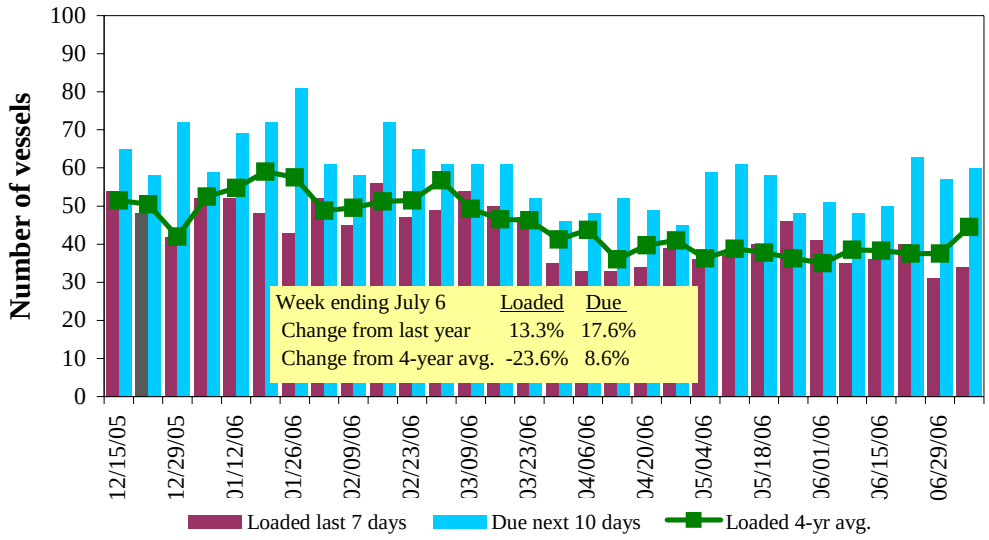
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
7/6/2006	23	34	60	4	7
6/29/2006	23	31	57	7	5
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

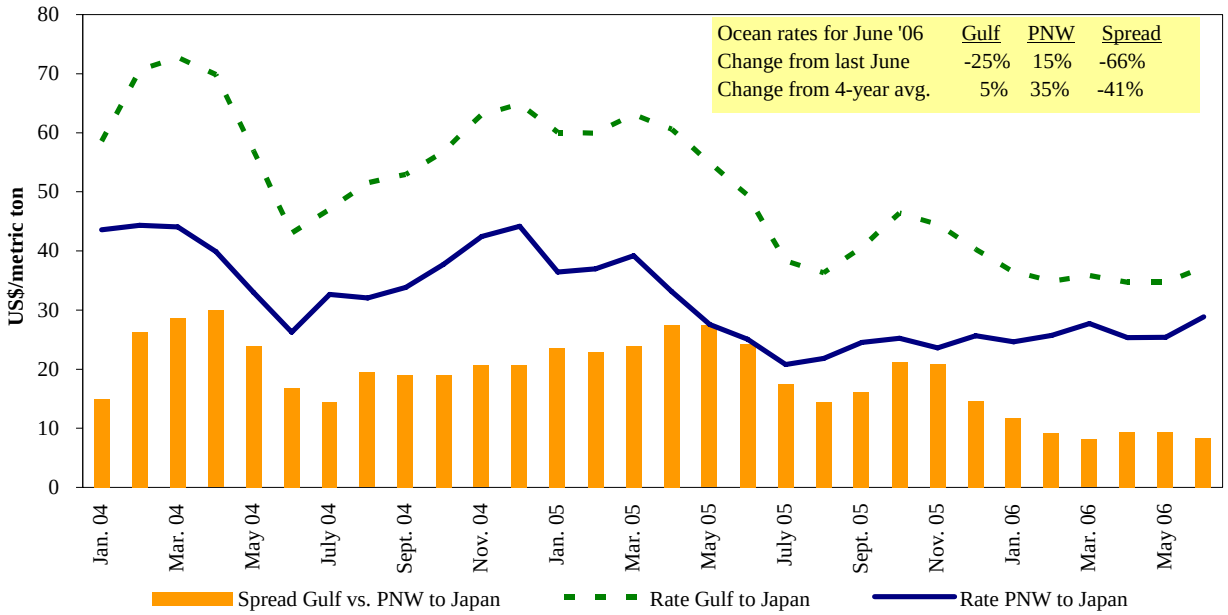
U.S. Gulf[1] Vessel Loading Activity, 2005/06



Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17
Grain Vessel Rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

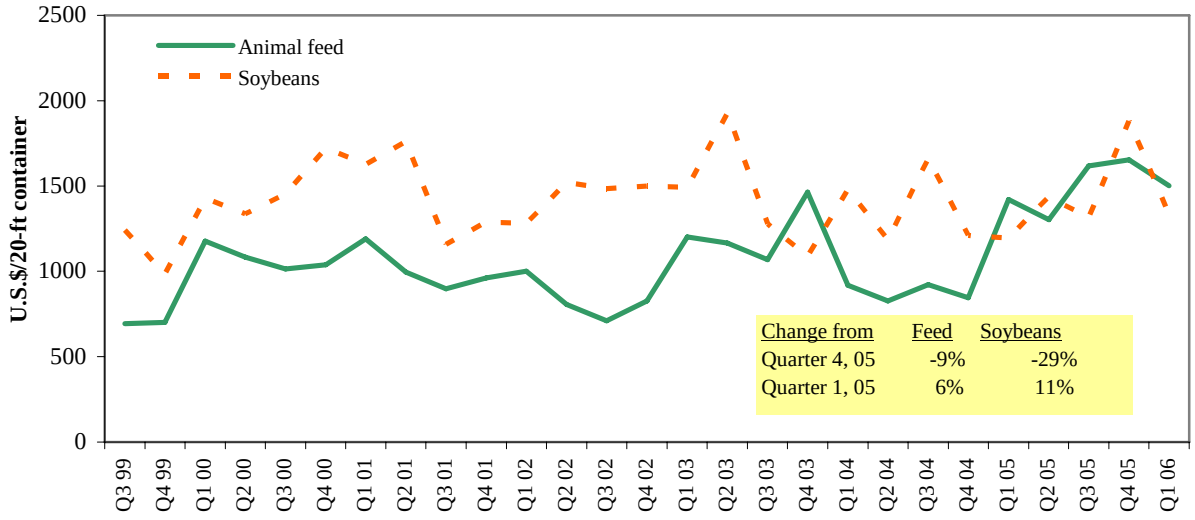
Table 18
Ocean Freight Rates For Selected Shipments, Week Ending 7/08/06

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	South Korea	Hvy Grain	Jul 5/10	55,000	36.00
U.S. Gulf	Honduras	Soybean Meal	Jul 5/15	10,000	83.01
Ukraine	Morocco	Hvy Grain	Jun 19/26	20,000	20.00
United Kingdom	Thailand	Wheat	Feb 25/Mar 10	42,000	21.50
Gt Lakes/St. Lawrence	Jordan[1]	Wheat	Jun 15/30	22,709	54.50
River Plate	Algeria	Hvy Grain	Jun 20/30	20,000	44.75
River Plate	Algeria	Hvy Grain	May 20/25	25,000	37.00
River Plate	Poland	Hvy Grain	May 20/ Jul 10	30,000	42.00
River Plate	Poland	Hvy Grain	May 20/30	30,000	42.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
[1]75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18

Ocean Rates[1] for Containerized Shipments to Selected Asian Countries



[1]Rates are weighted by shipping line market share and destination country.

Countries include: Animal Feed: Busan-Korea (7%), Kaohsiung-Taiwan (42%), Tokyo-Japan (28%), Hong Kong (13%), Bangkok-Thailand (10%) and soybeans: Busan-Korea (1%), Keelung-Taiwan (81%), Tokyo-Japan (17%), Bangkok-Thailand (<1%), Hong Kong (1%)

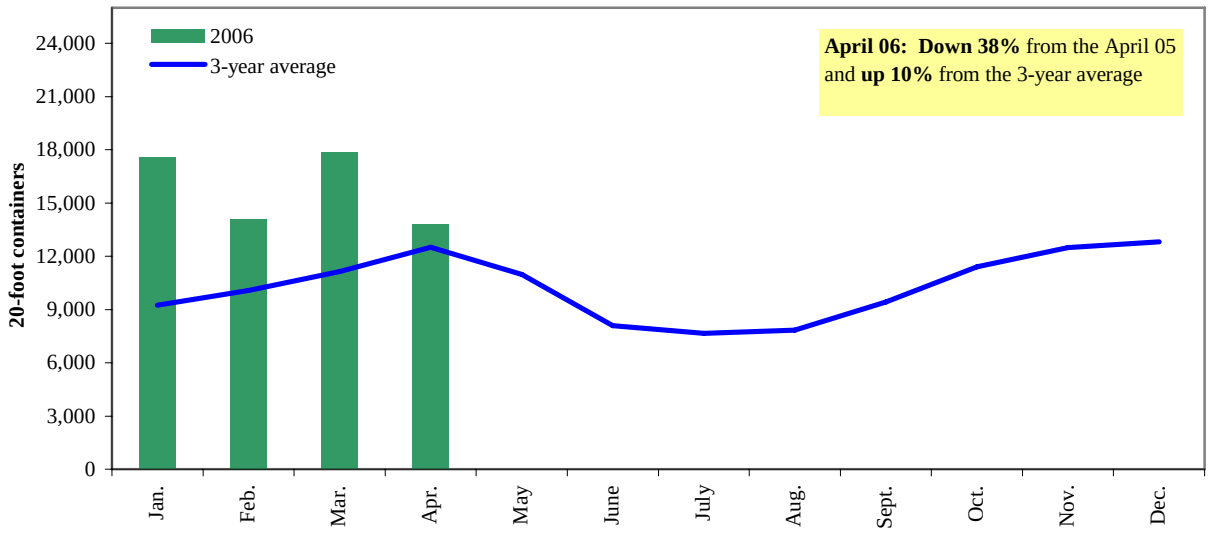
Source: Ocean Rate Bulletin, Quarter 1, 2006, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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Ocean Rate Bulletin	http://www.ams.usda.gov/tmd/Ocean/index.asp